

31. APPLICATION FOR PROSPECTING PERMIT FOR GEOTHERMAL ENERGY, SONOMA AND LAKE COUNTIES; DECCAXAGON CORPORATION - W.O. 5554, P.R.C. 3473.2.

After consideration of Calendar Item 5 attached, and upon motion duly made and carried, the following resolution was adopted, with Commissioner Anderson voting No:

PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FINDS THAT THE LANDS DESCRIBED IN EXHIBIT "B" ATTACHED ARE NOT KNOWN MINERAL LANDS AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE TO DECCAXAGON CORPORATION A TWO-YEAR PERMIT AUTHORIZING PROSPECTING FOR GEOTHERMAL ENERGY, FOR MINERAL WATERS, FOR NONHYDROCARBON GASES, AND FOR ALL MINERALS OTHER THAN OIL AND GAS IN 1,463 ACRES MORE OR LESS OF LAND IN SONOMA AND LAKE COUNTIES, AS DESCRIBED IN EXHIBIT "B" ATTACHED. THE FORM OF PERMIT, INCLUDING THE ROYALTY SCHEDULE TO BE USED, IS THE FORM APPROVED BY THE STATE LANDS COMMISSION ON MARCH 31, 1966, AND SHALL INCLUDE THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF. THE ROYALTY SCHEDULE SHALL ALSO PROVIDE THAT UPON ALL CARBON DIOXIDE AND OTHER NONHYDROCARBON GASES EXTRACTED AND SAVED UNDER THIS LEASE A PAYMENT OF 16-2/3% OF THE CURRENT MARKET PRICE AT THE WELL AND OF ANY PREMIUM OR BONUS PAID ON ALL NONHYDROCARBON PRODUCTION PRODUCED OR SOLD FROM THE LEASED LANDS SHALL BE PAID TO THE STATE.

Attachment

Calendar Item 5 (4 pages)

5.

APPLICATION FOR PROSPECTING PERMIT FOR GEOTHERMAL ENERGY, SONOMA AND LAKE COUNTIES; DECCAXAGON CORPORATION - W.O. 5554.

This item originally appeared on the January 26, 1966, agenda, but the Commission acted to defer the item at the request of the Senate Fact Finding Committee on Natural Resources. Further deferment was rescinded on March 1, 1966.

An application has been received from Deccaxagon Corporation, a California corporation, for a permit to prospect for "...all mineral products and deposits except oil and gas, both metallic and nonmetallic, solid and liquid, for mineral waters...geothermal and mineral steam..." on 1,63 acres more or less of land in Sections 6, 7, 8, and 18, T. 11 N., R. 8 W., M.D.B. & M., Sonoma and Lake counties. The surface of the area is owned by the applicant.

The Department of Fish and Game and the Water Pollution Control Board have requested that certain provisions be included in the prospecting permit form. The substantive content of these requests has been met.

Section 6891 of the Public Resources Code provides for the issuance to a qualified applicant of a prospecting permit for lands which are not known mineral lands.

The Geysers steam field is situated one mile southwesterly of the parcel, the Little Geysers steam field is four miles southeasterly of the parcel, and the Sulphur Bank steam field is located one and one-quarter miles westerly thereof.

The applicant proposes to "...prospect for geothermal steam and natural steam for the purpose of eventually developing geothermal and mineral steam and steam power and the development of other mineral deposits..."

The applicant proposes to perform the exploratory work by engaging one of the companies currently involved in steam exploration work to drill a well on the property.

A field reconnaissance of the area has established that the land sought is not known to contain commercially valuable deposits of minerals.

The statutory filing fee of \$5 has been paid, and the permit fee of \$1,463 has been deposited by the applicant.

The office of the Attorney General has advised that the permit complies with the applicable provisions of law and the Rules and Regulations of the Commission.

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FIND THAT THE LANDS DESCRIBED IN EXHIBIT "B" ATTACHED ARE NOT KNOWN MINERAL LANDS AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO

CALENDAR ITEM 5. CONTD.)

DECCAXAGON CORPORATION A TWO-YEAR PERMIT AUTHORIZING PROSPECTING FOR GEOTHERMAL ENERGY, FOR MINERAL WATERS, FOR NONHYDROCARBON GASES, AND FOR ALL MINERALS OTHER THAN OIL AND GAS IN 1,463 ACRES MORE OR LESS OF LAND IN SONOMA AND LAKE COUNTIES, AS DESCRIBED IN EXHIBIT "B" ATTACHED. THE FORM OF PERMIT, INCLUDING THE ROYALTY SCHEDULE TO BE USED, IS THE FORM APPROVED BY THE STATE LANDS COMMISSION ON MARCH 31, 1966, AND SHALL INCLUDE THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF. THE ROYALTY SCHEDULE SHALL ALSO PROVIDE THAT UPON ALL CARBON DIOXIDE AND OTHER NONHYDROCARBON GASES EXTRACTED AND SAVED UNDER THIS LEASE A PAYMENT OF 16-2/3% OF THE CURRENT MARKET PRICE AT THE WELL AND OF ANY PREMIUM OR BONUS PAID ON ALL NONHYDROCARBON PRODUCTION PRODUCED OR SOLD FROM THE LEASED LANDS SHALL BE PAID TO THE STATE.

Attachments

Exhibits "A" and "B"

EXHIBIT "A"

W.O. 5554

1. Permittee shall contact the Regional Water Pollution Control Board and submit a report on proposed waste discharge in accordance with Section 13054 of the California Water Code. Permittee shall comply with any waste discharge requirements established by the Regional Water Pollution Control Board.
2. All waste discharges resulting from geothermal operations shall be confined to land and not be permitted to enter State surface waters.
3. Any land disposal operation of said wastes must be conducted in a manner that will not adversely affect wildlife resources. The Permittee shall consult with the Department of Fish and Game prior to and during operations.

EXHIBIT "B"

W.O. 5554

Lots 1, 2, 3, 6, 7, 8, 9, 10, 11, 14, 15, and 16, and the north-east quarter of Section 7, Township 11 north, Range 8 west, Mt. Diablo Meridian, Sonoma and Lake counties, State of California.

Lots 13, 14, 15, 16, 18, 19, 20, 21, 22, and 23, of Section 6, Township 11 north, Range 8 west, Mt. Diablo Meridian, Sonoma and Lake counties, State of California.

The southeast 160 acres (or the southeast quarter) of Section 7, the south half of the northwest 160 acres (or the south half of the northwest quarter), and the north 80 acres of the southwest quarter (or the north half of the southwest quarter), of fractional Section 8 and Lot 1 and the north half of the northeast 160 acres (or the north half of the northeast quarter) of Section 18, Township 11 north, Range 8 west, Mt. Diablo Meridian, Sonoma and Lake counties, State of California.

The above-described land contains 1,463 acres more or less.